

James S. Meggs

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November 26, 2012

Honorable Jocelyn D. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, SC 29211

RE: Application of Palmetto Wastewater Reclamation, LLC
Docket No. 2012-94-S
Our File No. 5352.006

Dear Ms. Boyd:

Enclosed please find for filing on behalf of the Intervener, John C. Judy, Jr., the original and two (2) copies of the Rebuttal Testimony of John C. Judy, Jr. in the above matter. Kindly acknowledge receipt of these documents by clocking the extra copy that is enclosed and returning same to me in the envelope provided for your convenience.

By copy of this letter, I am serving counsel for the applicant and counsel for the Office of Regulatory Staff with a copy of same and I enclose our Certificate of Service.

If there any questions or if you need additional information, please feel free to contact me.

With best personal regards, I am

Sincerely,

CALLISON TIGHE & ROBINSON, LLC

A handwritten signature in dark ink, appearing to be "JM", written over the printed name of James S. Meggs.

James S. Meggs

JSM/tdb

Enclosures

cc: Jeffrey M. Nelson, Esquire (w/encl.)
Courtney Dare Edwards, Esquire (w/encl.)
John M.S. Hoefer, Esquire (w/encl.)
5352.006/Judge Boyd.001

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2012-94-S

IN RE:

Application of Palmetto Wasterwater
Reclamation LLC d/b/a Alpine Utilities,
for adjustment of rates and charges
for, and the modification of certain terms
and conditions related to the provision of
sewer service.

REBUTTAL TESTIMONY
OF JOHN C. JUDY, JR.

Q: Are you the same John Clifton Judy who has prefiled direct testimony in
this case?

A: Yes I am.

Q: What is the purpose of your testimony today?

A: I want to make a response to settlement testimony of Mr. Donald H. Burkett, CPA
and of Mr. Fred Melcher, III.

Response to : Settlement Testimony Mr. Donald H. Burkett, CPA Mr. Burkett sets out
on Line 03 Page 03 that the cost to Ashland Associates, and the tenants represented, will
be an "additional" \$58.65. I have an idea where this comes from, yet know we have lately
within the last four months spent approximately \$15,000 on grease trap installations and
grease trap alterations. What grease traps we had in the ground, and in the restaurants
were approved long ago by DHEC and has worked for most of twenty five years since
1986. Additionally, Alpine d.b.a. Palmetto has with this same effort caused us to
monitor, clean these two new grease traps every six weeks at a cost of \$285 each or \$570

1 for both. I talked by phone to the Public Service representative about this and it was
2 explained "they have the right!". Thus, my overall expense has increased by \$15,000
3 cash, plus \$408 per month. Exhibit 01, Item 07 of a Settlement Agreement of November
4 21, 2012 sets forth the companies ability to "come in and demand without question" any
5 improvement the company deems necessary for its own cause. There seems to be no
6 reprieve for the public, the regulated customer. So, the truest figure to use would be as
7 additional cost will be \$466.65 per month if Mr. Burkett's figure is accurate. The monthly
8 cost to Thai Lotus would be \$387 plus \$204 (grease trap) or \$591; Taquiera would be
9 \$268 plus \$204 (grease trap) or \$472. Both are struggling financially in this economic
10 downturn and both owe back rent and CAM (common area maintenance where sewer
11 charges are placed in the case of Taquiera). Until today, the only testimony available to
12 me was the Direct Testimony submitted by Mr. Donald Clayton, et. al., and recieved by
13 the Public Service Commission on October 25, 2012. There was a reference to a 22.23%
14 rate increase which I took to mean the current rate request increase. This seems to be a
15 matter concerning judgement of the Public Service Commission. I submitted a reference
16 to a US Treasury Bill with a yield of 1.8% as evidence of what others out there/here are
17 facing.

18 Response to : Settlement Testimony of Mr.Fred W. Melcher, III

19 Mr. Melcher points out in language on Line 01 Page 3, that I (Mr. Judy) want water
20 rates to be based on "water consumption" as opposed to a flat rate. Also, on Line 9 Page
21 3 he says Judy "would not want PWR relying upon the water consumption metered by
22 the City of Columbia, but instead..etc." Not so! What I did say was: "I hear that the
23 reliability of Columbia's water billing is not good, and thus suggest a water meter to be

1 installed on each restaurant to be read separately from the City Water Authority's
2 meter". This description is what I heard when Alpine took this alternative billing route
3 several years ago. This was/is the reason for the per seat rate set on restaurants. Also, I
4 did not offer that any other form of commercial use a metered device..only restaurants,
5 the like. Mr. Melcher pointed out my (Judy's) "mistrust of the City water billing
6 system"...I don't have any problems with the City Water Billings, all of what I am
7 quoting comes from this effort by Alpine. Mr. Melcher further paints the picture with
8 "who will read the meters". This is an administrative situation. If the company can
9 monitor the cleaning of grease traps every six weeks, I imagine the company can also
10 monitor the reading of several restaurant water meters. Who would pay? The
11 "customer", which is what this hearing is all about anyway. These bills will be typically
12 in much more amounts than a single family unit, and of enough money to warrent an
13 accurate use figure. I truly do not know where Mr. Melcher gets his information.

14 Q: DO YOU HAVE ANY SUGGESTIONS AT THIS TIME?

15 A: YES I DO AND I SUMMARIZE

16 Summary: I have no true objection to a 10 to 15 percent rate increase. This is a matter
17 for the Public Service Commission to examine, determine, declare. I do have a serious
18 question as to fairness. Palmetto/aka Alpine came to my shopping center several months
19 ago and DEMANDED we make serious alterations to an in ground grease trap. They
20 also made us install a new grease trap to another restaurant. Both had been functioning
21 for a long period of time. There was no suggestion for us to clean what we had more
22 often. When asked "what will you do if we don't follow your orders?" the answer was
23 "shut you down!" I get my information from Amy Stuck, mgr, and often it is along with

1 information such as crime, commercial soap in a fountain, fire safety inspection, false
2 fire alarm, rental prospects, late rent, tenants moving out, moving in, outdoor lighting,
3 grounds maintenance, storm water treatment, etc. When Alpine got the rate changed on
4 restaurants from "water use" to "seat count", all was well, I was told. As soon as this was
5 approved, Robin Dial of Alpine came to Ashland Park and recounted all the seats. I
6 "think" one restaurant's bill went from \$200 or so to \$700 or so. After meeting with
7 Robin, seats were re-described, determined and agreed upon. What was discussed was
8 "what is exactly a two seat table, four seat table, six seat table? " Sandy's hotdogs has
9 small four seat booths, Taquiera has large four seat booths. "Can you squeeze four into
10 two , can you squeeze six into four?" Robin wanted to count "waiting seats" of a church
11 pew in one of the restaurants as part of the total. There seems to be no description,
12 reasonable alternative, and we had no recourse. And we don't with this new proposal.
13 Eventually, some numbers were agreed to....quite unscientifically. In the case of Thai
14 Lotus, he stored many of his chairs just to appease the sewer billing (as I understand it).
15 So, what we have is a system that discriminates to the benefit of the sewer collector and
16 does so at the expense of the restaurant. If a separate meter was installed, a reading fee
17 attached to the monthly cost, this would be fair for it would represent the business of the
18 restaurant. I don't think the ease of doing business by Alpine or Palmetto should be the
19 concern of this Board. Rather, fairness seems key. There is/seems to be no current
20 oversight ability of the Public Service Commission, please add some place where a
21 customer can run to. "We will shut you down" is chilling to hear.

22 Q: DO YOU HAVE RECOMMENDATIONS FOR THE PUBLIC SERVICE
23 COMMISSION?

1 A: YES I DO. I WILL SET THEM DOWN FOR PERUSAL/ CONCLUSION

2 Conclusion: I recieved several testimonies from Palmetto, a summary of a settlement
3 from the PSC Staff, and other material, some 64 pages of detail and summary. I think
4 what I am forwarding is accurate and to the point. I am no accountant, and no sewer
5 expert. But I do work with people and fairness seems key to most business and
6 commerce. My proposal seems fair. Please hear my plea and set forth both in sewer
7 collection and administrative oversight so that some third party can oversee how Alpine
8 treats its customers. In closing, it is disturbing that we have to face such an opposing
9 faction. Palmetto wants more money, the Staff seems to agree. All I want is some
10 reasonable protection from such a system for my tenants and ultimately, myself.

11 Q: DOES THIS STATE YOUR OBSERVATIONS, DESIRES COMPLETELY?

12 A: FAIRLY SO, YES IT DOES.

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CERTIFICATE OF SERVICE

I, the undersigned, do hereby certify that I have filed a copy of the Rebuttal Testimony of John C. Judy, Jr. via the Public Service Commission of South Carolina's electronic filing system, and on the same day mailed a paper copy via the U.S. Mail, first class, postage prepaid, to the following addresses:

Jeffrey M. Nelson, Esquire
Courtney Dare Edwards, Esquire
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Willoughby & Hoefer, P.A.
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CALLISON TIGHE & ROBINSON, LLC

/s/ James S. Meggs

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***Attorney and Authorized Representative for
Petitioners***

November 26, 2012
Columbia, South Carolina